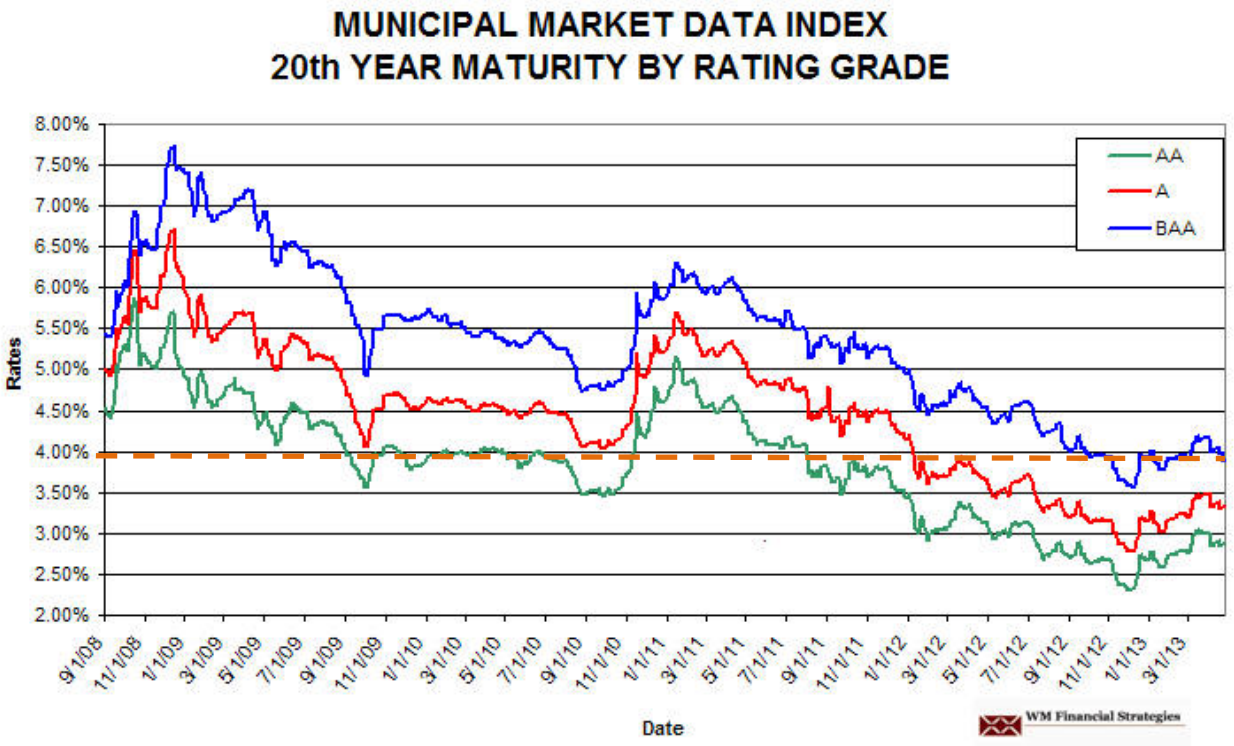
Budget Questions and Requests for Information
2013-14 Recommended Budget
QUESTION #2

QUESTION: What is our interest rate history and projections?

RESPONDENT: Kenneth C. Pennoyer, Director, Business Management

RESPONSE: The following table shows the historic interest rates for municipal bonds for the last 5 years. The lowest of the three lines represents double A rated debt. As a triple A rated our rates fall slightly below that line. The dotted line represents what we are currently using as an estimate of future borrowing rates (4%).

The total interest costs for recent Town debt issues is shown below:

- 2012 GO (Two-thirds Bonds) $1.7 million, 20 year **2.44%**
- 2012 Limited Obligation Bonds (LOBs) $6.7 million, 20 year **3.30%**
- 2010 GO Bonds $20.4 million, 20 year **2.68%**